

Exhibit 3

Facility Number

52

2

- ☒ Division of Water Quality
☐ Division of Soil and Water Conservation
☐ Other Agency _____

Type of Visit ☒ Compliance Inspection ☐ Operation Review ☐ Structure Evaluation ☐ Technical Assistance
Reason for Visit ☒ Routine ☐ Complaint ☐ Follow up ☐ Referral ☐ Emergency ☐ Other ☐ Denied Access

Date of Visit: 2-4-11 Arrival Time: 1:10pm Departure Time: _____ County: Jones Region: WARD

Farm Name: McLaughorn Livestock Farm (Banks) Owner Email: _____

Owner Name: Donald Taylor Phone: _____

Mailing Address: _____

Physical Address: _____

Facility Contact: David Anderson Title: _____ Phone No: _____

Onsite Representative: David Anderson Integrator: Murphy

Certified Operator: Donald Taylor Operator Certification Number: _____

Back-up Operator: _____ Back-up Certification Number: _____

Location of Farm: Latitude: _____° _____' _____" Longitude: _____° _____' _____"

Swine	Design Capacity	Current Population	Wet Poultry	Design Capacity	Current Population	Cattle	Design Capacity	Current Population
<input type="checkbox"/> Wean to Finish			<input type="checkbox"/> Layer			<input type="checkbox"/> Dairy Cow		
<input checked="" type="checkbox"/> Wean to Feeder	4380	0	<input type="checkbox"/> Non-Layer			<input type="checkbox"/> Dairy Calf		
<input checked="" type="checkbox"/> Feeder to Finish	10320	10200				<input type="checkbox"/> Dairy Heifer		
<input type="checkbox"/> Farrow to Wean						<input type="checkbox"/> Dry Cow		
<input type="checkbox"/> Farrow to Feeder						<input type="checkbox"/> Non-Dairy		
<input type="checkbox"/> Farrow to Finish						<input type="checkbox"/> Beef Stocker		
<input type="checkbox"/> Gilts						<input type="checkbox"/> Beef Feeder		
<input type="checkbox"/> Boars						<input type="checkbox"/> Beef Brood Cow		
Other			Dry Poultry					
<input type="checkbox"/> Other			<input type="checkbox"/> Layers					
			<input type="checkbox"/> Non-Layers					
			<input type="checkbox"/> Pullets					
			<input type="checkbox"/> Turkeys					
			<input type="checkbox"/> Turkey Poult					
			<input type="checkbox"/> Other					

Number of Structures: 3

Discharges & Stream Impacts

1. Is any discharge observed from any part of the operation?

☐ Yes ☒ No ☐ NA ☐ NE

Discharge originated at: ☐ Structure ☐ Application Field ☐ Other

a. Was the conveyance man-made?

☐ Yes ☐ No ☐ NA ☐ NE

b. Did the discharge reach waters of the State? (If yes, notify DWQ)

☐ Yes ☐ No ☐ NA ☐ NE

c. What is the estimated volume that reached waters of the State (gallons)?

d. Does discharge bypass the waste management system? (If yes, notify DWQ)

☐ Yes ☐ No ☐ NA ☐ NE

2. Is there evidence of a past discharge from any part of the operation?

☐ Yes ☒ No ☐ NA ☐ NE

3. Were there any adverse impacts or potential adverse impacts to the Waters of the State other than from a discharge?

☐ Yes ☒ No ☐ NA ☐ NE

Facility Number: 52 - 2

Date of Inspection 2-4-11

Waste Collection & Treatment

4. Is storage capacity (structural plus storm storage plus heavy rainfall) less than adequate? ☒ Yes ☐ No ☐ NA ☐ NE
- a. If yes, is waste level into the structural freeboard? ☒ Yes ☐ No ☐ NA ☐ NE

	Structure 1	Structure 2	Structure 3	Structure 4	Structure 5	Structure 6
Identifier:	<u>3</u>	<u>2</u>	<u>1</u>			
Spillway?:						
Designed Freeboard (in):						
Observed Freeboard (in):	<u>12</u>	<u>12</u>	<u>18</u>			

5. Are there any immediate threats to the integrity of any of the structures observed? (ie/ large trees, severe erosion, seepage, etc.) ☐ Yes ☒ No ☐ NA ☐ NE
6. Are there structures on-site which are not properly addressed and/or managed through a waste management or closure plan? ☐ Yes ☒ No ☐ NA ☐ NE

If any of questions 4-6 were answered yes, and the situation poses an immediate public health or environmental threat, notify DWQ

7. Do any of the structures need maintenance or improvement? ☐ Yes ☒ No ☐ NA ☐ NE
8. Do any of the structures lack adequate markers as required by the permit? (Not applicable to roofed pits, dry stacks and/or wet stacks) ☐ Yes ☒ No ☐ NA ☐ NE
9. Does any part of the waste management system other than the waste structures require maintenance or improvement? ☐ Yes ☒ No ☐ NA ☐ NE

Waste Application

10. Are there any required buffers, setbacks, or compliance alternatives that need maintenance/improvement? ☐ Yes ☒ No ☐ NA ☐ NE
11. Is there evidence of incorrect application? If yes, check the appropriate box below. ☐ Yes ☒ No ☐ NA ☐ NE
- ☐ Excessive Ponding ☐ Hydraulic Overload ☐ Frozen Ground ☐ Heavy Metals (Cu, Zn, etc.)
- ☐ PAN ☐ PAN > 10% or 10 lbs ☐ Total Phosphorus ☐ Failure to Incorporate Manure/Sludge into Bare Soil
- ☐ Outside of Acceptable Crop Window ☐ Evidence of Wind Drift ☐ Application Outside of Area

12. Crop type(s) Wheat, Corn, SB

13. Soil type(s) Nahonta, Cramer, Graciosa

14. Do the receiving crops differ from those designated in the CAWMP? ☐ Yes ☒ No ☐ NA ☐ NE
15. Does the receiving crop and/or land application site need improvement? ☐ Yes ☒ No ☐ NA ☐ NE
16. Did the facility fail to secure and/or operate per the irrigation design or wettable acre determination? ☐ Yes ☒ No ☐ NA ☐ NE
17. Does the facility lack adequate acreage for land application? ☐ Yes ☒ No ☐ NA ☐ NE
18. Is there a lack of properly operating waste application equipment? ☐ Yes ☒ No ☐ NA ☐ NE

Comments (refer to question #): Explain any YES answers and/or any recommendations or any other comments. Use drawings of facility to better explain situations. (use additional pages as necessary):

EOC & Permit from previous owner in records

waste Analysis 1-27-11 3.3 1.6 .97

*Small Grain (Wheat) coming up & established

Reviewer/Inspector Name Megan H. Stiller Phone: 948-3947

Reviewer/Inspector Signature: [Signature] Date: 2-4-11

Facility Number: **52-2**

Date of Inspection **2-4-11**

Required Records & Documents

19. Did the facility fail to have Certificate of Coverage & Permit readily available? ☐ Yes ☒ No ☐ NA ☐ NE
20. Does the facility fail to have all components of the CAWMP readily available? If yes, check the appropriate box. ☐ WUP ☐ Checklists ☐ Design ☐ Maps ☐ Other ☐ Yes ☒ No ☐ NA ☐ NE
21. Does record keeping need improvement? If yes, check the appropriate box below. ☐ Waste Application ☐ Weekly Freeboard ☐ Waste Analysis ☐ Soil Analysis ☐ Waste Transfers ☐ Annual Certification ☐ Rainfall ☐ Stocking ☐ Crop Yield ☐ 120 Minute Inspections ☐ Monthly and 1" Rain Inspections ☐ Weather Code ☐ Yes ☒ No ☐ NA ☐ NE
22. Did the facility fail to install and maintain a rain gauge? ☐ Yes ☒ No ☐ NA ☐ NE
23. If selected, did the facility fail to install and maintain rainbreakers on irrigation equipment? ☐ Yes ☐ No ☒ NA ☐ NE
24. Did the facility fail to calibrate waste application equipment as required by the permit? ☒ Yes ☐ No ☐ NA ☐ NE
25. Did the facility fail to conduct a sludge survey as required by the permit? ☐ Yes ☒ No ☐ NA ☐ NE
26. Did the facility fail to have an actively certified operator in charge? ☐ Yes ☒ No ☐ NA ☐ NE
27. Did the facility fail to secure a phosphorus loss assessment (PLAT) certification? ☐ Yes ☐ No ☒ NA ☐ NE

Other Issues

28. Were any additional problems noted which cause non-compliance of the permit or CAWMP? ☐ Yes ☒ No ☐ NA ☐ NE
29. Did the facility fail to properly dispose of dead animals within 24 hours and/or document and report the mortality rates that were higher than normal? ☐ Yes ☒ No ☐ NA ☐ NE
30. At the time of the inspection did the facility pose an odor or air quality concern? If yes, contact a regional Air Quality representative immediately ☐ Yes ☐ No ☐ NA ☒ NE
31. Did the facility fail to notify the regional office of emergency situations as required by General Permit? (ie/ discharge, freeboard problems, over application) ☐ Yes ☒ No ☐ NA ☐ NE
32. Did Reviewer/Inspector fail to discuss review/inspection with an on-site representative? ☐ Yes ☒ No ☐ NA ☐ NE
33. Does facility require a follow-up visit by same agency? ☒ Yes ☐ No ☐ NA ☐ NE

Additional Comments and/or Drawings:

4 water control structures at facility

* Facility going to update WUP

* In process of ~~updating~~ getting change of ownership

Sludge Survey 12-21-10 #1 Thick - 2.9' #2 Thick - 2.7'

#3 Thick - 2.7' LT2 - 4.0' LT2 - 4.4'

LT2 - 4.3' pump intake - 4.0' pump intake - 5.8'

pump intake - 6.0'

Soil Test 12-1-10 w/ highest lime .9 tons

Cu & Zn values w/in range

* No irrigation under new owner - fields to wet

* Going to complete Calibration soon

* Need to submit 5-Day POA for lagoon #2 & #3 } going to get new markers for lagoon #2 & #3